REMARKS:

Claims 1, 4, 6-10, 13 and 15-41 are now pending in the application, with claims 1, 10 and 35 being the independent claims. Reconsideration and further examination are respectfully requested.

In the Office Action, claims 1-18 were rejected under 35 USC § 103(a) over U.S. Patent 6,480,844 (Cortes) in view of U.S. Patent 5,970,469 (Scroggie). Withdrawal of this rejection is respectfully requested for the following reasons.

The present invention concerns systems, methods and techniques for analyzing the effectiveness of previous sales promotions and for targeting the delivery of new sales promotions. Generally speaking, data pertaining to on-line shopping activity, attributes of different promotions, and profiles of the individual shoppers are provided to a model which is used to determine the effectiveness of sales promotions, e.g., based on the past history, demographics or other profile information for the shoppers.

More specifically, independent claims 1 and 10 are directed toward predicting whether an on-line shopper will be converted into becoming a purchaser of an item based on sales promotions offered by an on-line vendor. Initially, the following information is stored: customer profile information corresponding to a plurality of on-line shoppers, web log information corresponding to the plurality of on-line shoppers, and promotion attributes corresponding to a plurality of sales promotions that have been offered. Such information then is input into a model for simulating shopping behavior as a function of the customer profile information and the promotion attributes. Finally, the model is used to target delivery of future sales promotions.

The foregoing combination of features is not disclosed or suggested by the applied art. In particular, no permissible combination of Cortes and Scroggie would have disclosed or

suggested at least the features of (i) inputting customer profile information, customer web log information and promotion attributes into a model for simulating shopping behavior as a function of the customer profile information and the promotion attributes or (ii) using such a model to target delivery of future sales promotions.

In this regard, Cortes is directed to techniques for inferring behavioral characteristics based on transaction data. See, e.g., Cortes's title and Abstract. The main embodiment discussed in Cortes pertains to classifying telephone calls as either "business" or "residential". However, as pointed out in the Office Action, Cortes asserts that its disclosure also can be applied to credit card purchases, telephone call records, packet headers in data communications and stock transactions.

Even assuming that this assertion is true (and Applicants do not express an opinion in this regard), nothing in Cortes even remotely suggests simulating on-line shopping behavior as a function of customer profile information and sales promotion attributes. While Applicants acknowledge that Cortes uses certain common statistical techniques, as asserted in the Office Action, those techniques are used for an entirely different purpose than the present invention.

That is, Cortes appears to be entirely concerned with classifying behavior based on the behavioral data itself. See, e.g., column 2 lines 61-64:

> *The present invention examines the volume of data to ascertain whether correlations exist between particular pieces of the data and particular types of transactions or transaction parties. Once a model or set of rules is established based on this analysis, the model or set of rules can be applied to the individual parties to examine their behavior in relationship to these rules and to classify these parties accordingly. This process can be referred to as making inferences about the parties or the underlying transactions.*

In contrast, the present invention is more concerned with how particular sales promotions (which generally are not directly controlled by the individual shopper) affect different shoppers' shopping behavior.

The present claims have been amended above to clarify the recitals pertaining to sales promotions and on-line shopping. Accordingly, these specific limitations previously have not been considered by the Examiner. For example, the claims 1 and 10 now clearly include the future of using the model to target delivery of future sales promotions (which is supported, e.g., at page 2 lines 15-20 of the Specification). A careful review of the amended claim limitations will indicate that Cortes is not even analogous prior art with respect to the problems addressed by the present invention.

That is, Cortes does not appear to be concerned at all with how any external factors affect consumer shopping behavior. In fact, while Cortes generally mentions certain commercial transactions, it contains absolutely no teachings or suggestions about consumer marketing. Accordingly, one of ordinary skill would not look to Cortes as a reference in connection with problems or activity pertaining to consumer marketing.

Scroggie discusses the delivery of purchase incentives to consumers based on information provided by the consumers themselves. However, the precise mechanism for delivery of such incentives to consumers does not appear to be specified in Scroggie. Scroggie does not appear to disclose or to suggest anything about the modeling of the present claims, particularly as the same have been clarified above. Moreover, it does not appear that the Office Action even asserts that Scroggie teaches this feature the invention.

In short, significant features of the present claims are absent from both Cortes and Scroggie. Accordingly, no permissible combination of these two references could have suggested the present claims. Moreover, Cortes and Scroggie relate to sufficiently different

fields of art, that there appears to have been no motivation to combine them in any respect whatsoever. For these reasons, independent claims 1 and 10 are believed to be allowable over the applied art.

Newly added independent claim 35 is directed toward predicting what types of on-line shoppers will make purchases based on offered sales promotions. Initially, the following information is obtained: profile information for a plurality of shoppers; a set of promotion attributes pertaining to sales promotions that were displayed to the shoppers; and behavioral information regarding the on-line shopping behaviors of the shoppers, including the on-line shopping behaviors during times that the sales promotions were displayed. Based on the behavioral information, a mathematical model is used to relate the promotion attributes to the profile information in order to estimate effectiveness of a particular sales promotion with respect to at least one specified shopper.

For reasons similar to those set forth above, independent claim 35 also is believed to be allowable over the applied art.

The other pending claims depend from these independent claims and are therefore believed to be allowable for at least the same reasons. In addition, each such dependent claim recites an additional feature of the invention that further distinguishes the invention from the applied art. Accordingly, the individual consideration/reconsideration of each on its own merits is respectfully requested.

For instance, newly added dependent claims 19, 27 and 37 recite the additional feature of using the model to tailor sales promotions to individual shoppers. This feature of the invention is supported, e.g., at page 2 lines 15-20 of the Specification and is not disclosed or suggested by the applied art.

Newly added dependent claims 20, 28 and 38 recite the additional feature that sales promotions automatically are customized to a shopper based on customer profile information for such shopper. This feature of the invention is supported, e.g., at page 2 lines 18-20 of the Specification and is not disclosed or suggested by the applied art.

Newly added dependent claims 24, 32 and 39 recite the additional feature of using a simulator based on the mathematical model, varying promotion attributes input into the simulator, and then observing results generated by the simulator. This feature of the invention is supported, e.g., at page 8 lines 3-7 of the Specification and is not disclosed or suggested by the applied art.

Newly added dependent claims 25, 33 and 40 recite the additional feature of continuously updating and improving the model based on new information. This feature of the invention is supported, e.g., at page 9 lines 6-12 of the Specification and is not disclosed or suggested by the applied art.

Newly added dependent claims 26, 34 and 41 recite the additional feature of using an optimization engine to generate statistically driven promotion plans that have been optimized with respect to at least one objective function. This feature of the invention is supported, e.g., at page 14 lines 10-27 of the Specification and is not disclosed or suggested by the applied art.

In view of the foregoing amendments and remarks, the entire application is believed to be in condition for allowance, and an indication to that effect is respectfully requested.
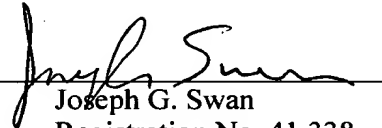
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